

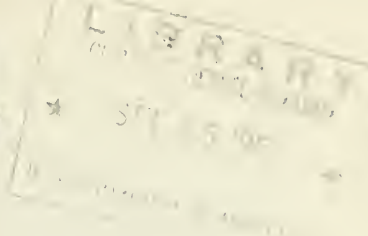
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Foreign

CROPS AND MARKETS



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FOREIGN CROPS AND MARKETS

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TURKEY'S LEAF EXPORTS UP

Turkey's exports of unmanufactured tobacco increased from 100.8 million pounds in the first half of 1956 to 123.8 million in the first half of 1957. Much of the increase was in movements to the United States. Exports to this country were 16.2 million pounds higher in the first 6-months of 1957 than for the same months of 1956. Larger exports were made to Poland, the Soviet Union, Hungary, France and several other markets. Smaller shipments were sent to West Germany, Czechoslovakia, Switzerland and Finland.

TOBACCO, UNMANUFACTURED: Turkey, exports by country of destination, 1955 and 1956, January-June 1956 and 1957

Country of Destination	Calendar Year		January-June	
	1955	1956 <u>1/</u>	1956 <u>1/</u>	1957 <u>1/</u>
	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
United States...	37,836	47,174	40,683	56,932
Western Germany..	17,342	14,290	10,894	9,295
Eastern Germany..	11,324	13,990	12,842	12,831
Poland.....	13,720	8,633	8,634	11,508
Hungary.....	3,203	2,143	904	1,594
Czechoslovakia..	5,555	9,184	9,184	8,071
Soviet Union....	--	617	1	2,072
United Kingdom..	7,534	4,284	468	265
Italy.....	7,415	5,066	4,728	4,561
France.....	4,661	5,093	243	2,857
Austria.....	2,972	3,408	2,824	2,577
Belgium.....	2,919	1,642	752	705
Switzerland.....	2,657	3,239	1,792	518
Finland.....	1,804	3,126	2,428	1,204
Other.....	13,356	7,657	4,416	8,787
Total.....	132,298	129,546	100,793	123,777

1/ Preliminary.

Source: Tobacco Intelligence

AUSTRALIAN IMPORTS OF LEAF LOWER IN FISCAL 1957

The "Tobacco Intelligence", published in London, reports that Australian imports of unmanufactured tobacco declined in the 1956-57 fiscal year to 40.8 million pounds, compared with 45.8 imported a year earlier. Imports were lower from the United States, Rhodesian Federation and Canada. Takings of United States leaf declined from 31.9 million pounds in 1955-56 to 28.3 million in 1956-57. During fiscal 1957, about 454 thousand pounds of tobacco was imported from Mozambique, which had not previously supplied any significant quantity.

RHODESIANS PLAN TO OPEN NEW AUCTION WAREHOUSE IN SALISBURY

A new tobacco auction warehouse is to be licensed in Salisbury for sales during the 1958 season. Permission to open another sales floor is in response to the vote by growers at the 1956 meeting of the Rhodesian Tobacco Association.

The new auction floor will be located near the two warehouses now in operation. Construction plans specify a floor capable of handling 2,000 bales per day with storage space for 20,000 bales.

Licensing of a new auction floor is an expression of confidence in the future of the Rhodesian tobacco industry. In line with this confidence, the two existing warehouses plan to expand. One plans to expand sales capacity to 5,000 bales (about 2 acres of sales space). The other plans to place another acre of sales floor in operation. This, in addition to its present sales space of better than 2 acres, will allow daily sales of 7,500-8,000 bales. This new construction will give the Salisbury market a daily capacity of nearly 15,000 bales, about 2.5 million pounds.

GREEK EXPORTS OF TOBACCO DOUBLE IN FIRST HALF OF 1957

Greek exports of unmanufactured tobacco increased from 30.4 million pounds in the first 6-months of 1956 to 60.6 million during the same months of 1957. Shipments were larger to nearly all markets including Western Germany, the United States, the Soviet Union, Austria and Italy.

Growers had sold about 155 million of the estimated 181 million pound 1956 crop, by the end of June. Reports indicate that prices are from 15 to 25 percent higher than for the 1955 crop and about the same as paid for the good quality 1954 crop.

ADEN'S LEAF IMPORTS LOWER IN 1957

Aden, which imported 4.7 million pounds of unmanufactured tobacco in the first half of 1956, took only 3.9 million in the first half of 1957. Exports and re-exports of leaf dropped slightly from 2.2 million pounds in the first 6-months of 1956 to 2.0 million during the comparable months of 1957. Imports of tobacco products rose slightly to 1.4 million pounds in January-June 1957 while exports of tobacco products increased 131 thousand pounds to 369 thousand pounds during the same period.

COSTA RICA FACES TOBACCO SURPLUS

Over planting by Costa Rican tobacco farmers in response to a liberal government price guarantee is threatening a severe surplus problem. The 1957 crop was increased from the 2.7 million pounds expected to 3.5 million by high prices fixed by law and overplanting of quotas.

Purchases by tobacco manufacturers in excess of requirements removed most of the surplus from the 1957 crop. However, it is expected that the 1958 crop which will be planted soon will be considerably larger than allotments. This will present difficult marketing problems as manufacturers will be unable to buy the excess leaf due to the large stocks they already hold.

NEW DAIRY PRODUCTION SEASON IN NEW ZEALAND OFF TO A GOOD START

Butterfat processed in dairy plants in New Zealand in July, 1957, the first month of the new production season, totalled 9.4 million pounds. This exceeded the previous record in July, 1956 by 3 percent. High levels of production in South Auckland and the Bay of Plenty more than offset the reductions which occurred in other dairying districts.

Creamery butter production for the month was approximately 10 million pounds, which also showed an increase of 3 percent over July, 1956. Cheese output was up 21 percent to 833,000 pounds.

Present prospects for production are better than those at this time last year. Pastures are reported generally in good condition.

U. S. DOUBLES RICE EXPORTS IN ONE YEAR

U. S. rice exports in the 1956-57 marketing year (August-July) of 26,268,000 bags, in terms of 100 pounds milled rice, were more than double the 12,827,000 shipped in the preceding year. Three-fourths of the exports were made under various Government programs.

The amount of rice exported, excluding Section 416 donations and animal feed, totaled 23,841,000 bags compared with 11,432,000 bags in 1955-56. Nearly three-fourths of these exports went to Asian countries, 21 percent to destinations in the Western Hemisphere, and 4 percent were to European countries. The principal countries of destination in order of volume were Indonesia, India, Pakistan, Cuba and Korea.

July exports totaled 1,098,000 bags in terms of milled rice, of which 99 percent were milled, containing over 25 percent whole rice. The main countries of destination were Cuba, Korea, India, and Pakistan.

RICE: United States exports, by country of destination and
by classification, July 1957 1/

Country of destination	Rough		Milled		Total, in terms of milled
	Unmilled	In terms	Not over 25% whole	Over 25% whole	
		of milled			
		2/			
	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.
Western Hemisphere:					
Canada	1,145	744	1,200	33,267	35,211
Mexico	520	338	0	0	338
Guatemala	0	0	0	3,000	3,000
British Honduras	0	0	0	3,000	3,000
Panama	450	293	0	0	293
Canal Zone	100	65	0	1,854	1,919
Bermuda	0	0	0	52	52
Bahamas	0	0	0	187	187
Cuba	5,444	3,539	0	435,517	439,056
Jamaica	0	0	0	215	215
Haiti	0	0	0	150	150
Netherlands Antilles	0	0	0	5,505	5,505
Colombia	2,200	1,430	0	0	1,430
Venezuela	0	0	0	80	80
Peru	0	0	0	160	160
Total	9,859	6,409	1,200	482,987	490,596
Europe:					
Belgium-Luxembourg	0	0	0	5,000	5,000
Netherlands	0	0	0	17	17
Total	0	0	0	5,017	5,017
Asia					
Lebanon	0	0	0	44	44
Kuwait	0	0	0	1,758	1,758
Saudi Arabia	0	0	0	460	460
India	0	0	0	95,494	95,494
Pakistan	0	0	0	76,154	76,154
Indonesia	0	0	0	14,881	14,881
Korean Republic	0	0	0	405,799	405,799
Japan	0	0	0	230	230
Total	0	0	0	594,820	594,820
Trust territory of the Pacific:	0	0	0	4,070	4,070
Union of South Africa	0	0	0	2,500	2,500
Destination not specified	0	0	0	887	887
Total.....	9,859	6,409	1,200	1,090,281	1,097,890

1/ Preliminary. 2/ Rough rice converted at 65 percent.

Source: Bureau of the Census.

EAST GERMAN MILK PRODUCTION DOWN IN 1956

Total 1956 milk production in Eastern Germany was recently estimated at 11.2 billion pounds. While comparative figures for previous years are not available, it is believed that production per cow and total production were slightly below 1955 and far below East German "target" goals. A shortage of fodder and the lack of supplemental feeding are the main reasons for the decline.

About 61 percent of the production was delivered to dairies, almost all of which was utilized for butter production.

AUSTRALIAN DAIRY CATTLE NUMBERS SHOW INCREASE

Dairy cattle numbers in Australia as of March 31, 1957 are reported at 5,131,000 head in a preliminary release of the Australian livestock census. Despite continued complaints of low butter prices, dairy cattle numbers are up 3 percent from last year and the highest of record for this series which began in 1943.

COSTA RICA PLANS THE ESTABLISHMENT OF SOLUBLE COFFEE PLANTS

Two local groups in San Jose, Costa Rica are reported to have announced their intentions of establishing separate soluble coffee plants in Costa Rica. One of the proposed companies is principally interested in exporting soluble coffee to the United States. This company hopes to produce approximately 20,000 pounds of soluble coffee a day.

The second group planning to establish a local soluble coffee plant is principally interested in producing for local consumption. This group hopes to produce about 2,200 pounds of soluble coffee a day, or 660,000 pounds per year. They estimate that this would amount to about 70 percent of the present annual rate of domestic coffee consumption in terms of cups of coffee. It has been pointed out by the group that less coffee in the bean form is needed to make soluble coffee, and that if soluble coffee replaced ground coffee for home consumption a substantial amount of coffee in bean form would be released for export.

CUBAN RICE IMPORT ALLOTMENTS ADVANCED

Cuban rice importers are being granted permission to import 500,000 Spanish quintals (508,000 cwt.) of the third-quarter low duty rice-import quota in the second quarter of the current quota year. This brings the eligible imports during the first two quarters (July-December) to 2,339,175 quintals, or 2,372,000 bags of 100 pounds each.

The decision to increase 1957 rice imports was made by the Minister of Commerce following a conference with rice importers, millers, and growers. It was based upon current prices, stocks of rice, consumption, and production estimates for the remainder of 1957. A shortage of rice for consumption during the present quota year (July-June 1957-58) appears to be a possibility.

The bringing forward of a portion of the third-quarter allotment, rather than declaring an immediate deficit quota, was decided to be the more logical step until more is known regarding the size of the forthcoming Cuban rice crop. Moreover, the Minister of Commerce warned the local millers and importers that if this 500,000-bag advance did not bring prices into line, he would be inclined to move another 500,000 bags into the second quarter.

The current price of high-grade rice on the Habana market is over 16.5 cents per pound and the retail price ranges from 21.5 cents to 23 cents per pound. A definite shortage of rice is reported, with a high broken content. Within the last 5 months the price of locally grown rice in Cuba, on the basis of Century Patna No. 2, 4 percent broken, has increased 2 cents a pound. Since Government regulations limit imported rice to less than 30 percent broken content, the Government reportedly felt prompt action was required to stabilize, or lower, current prices of high-grade rice.

SURINAM'S RICE CROP REDUCED

The 1957 rice crop of Surinam is expected to be down 25 percent from last year's harvest. The poor crop is attributed to an extended dry spell earlier in the year and to low rainfall in the rainy season, lasting from March to August. All of the districts where rice growing is dependent on rain to maintain the proper water level have suffered.

The only area which apparently has escaped difficulty this year is the Wageningen mechanized project, which has irrigation facilities. In some areas three separate plantings were tried. Lack of rain permitted weed growth to get a heavy start. In addition, a rice disease, called Jasida, has been severe in Nickerie, the largest growing area.

Record rice production in 1956 was 156.9 million pounds of rough rice from Surinam's largest area in rice of 62,000 acres. This compares with 150 million pounds in the preceding year, and with the average of 127 million pounds in the 5-year 1940-54 period.

CITRONELLA IN CEYLON

About 30,000 acres are said to be devoted to citronella grass in Ceylon -- 75 percent being Lenabatu and the remainder Mahapengiri. There are possibilities for production of citronella in areas in the Central and Uva Provinces. Further development of production and distillation are being considered.

Exports of citronella oil from Ceylon exceeded $1\frac{1}{2}$ million pounds in 1955, but dropped to $1\text{-}1\frac{1}{3}$ million pounds in 1956. The chief markets are the United States, United Kingdom, India and France.

INDIAN CASHEW TRADE WOOS SOVIET-BLOC MARKETS

Despite India's efforts toward greater diversification in its cashew kernel export trade, particularly in attracting trade from Soviet-bloc countries, limited success has been experienced. Orders for cashew kernels from Soviet-bloc countries, principally the Soviet Union, amounted to only 80,000 cases, 50 pounds net, during the first six months of 1957. The Indian trade estimates that total exports to these countries during 1957 will not exceed 100,000 cases.

During 1956, the Soviet Union, Czechoslovakia, and Mainland China purchased 36,133 cases of cashew kernels valued at \$.8 million from Indian exporters, or roughly $2\frac{1}{2}$ percent of the 1,432,637 cases of kernels exported. The United States continues to be the principal customer for Indian cashews. In 1956, the U. S. purchased 72 percent of the shipments to foreign markets.

WOOL EXPORTS FROM URUGUAY DOWN

Wool exports from Uruguay during the first 10 months of the current season (October 1956 through July 1957) totaled 135,000 bales compared with 209,850 bales for the corresponding period last year.

Sellers are now offering fine crossbred wools at prices above the international level. So far the local industry and foreign buyers have refused to purchase.

MEXICO'S CATTLE EXPORTS AND IMPORTS RISE

Cattle exports from Mexico during 1957 are not expected to exceed 300,000 head compared with 110,000 in 1956. Imports in 1957 may be greater than in 1955 when 248,000 head were admitted, but probably will not approach the level of most of the years from 1939 through 1946. The border was closed from late 1946 until 1952 and from May 1953 until 1955 because of foot-and-mouth disease in Mexico.

U. S. Imports from Mexico during January-June 1957 totaled 158,000 head compared with 47,000 a year earlier and 217,000 in the first half of 1955.

Mexican range conditions have been fair in the northern and central states and very good in the Gulf and southern states. The general condition in the north is much better than in recent years but some areas in Durango, Zacatecas and Coahuila, are drier than usual.

Meat Trade Increases

Cattle slaughter this year has been moderately greater than in 1956. This has been due to a continued increase of cattle on farms and a strong demand for beef for local consumption. Northern ranches are not fully stocked under the present average grazing conditions.

Livestock and Meat: Estimated Slaughter and Production in
Mexico - January-June 1956-57

Year	Cattle	Sheep	Swine	Goats	Horses	Meat
	1,000	1,000	1,000	1,000	1,000	Million
	<u>head</u>	<u>head</u>	<u>head</u>	<u>head</u>	<u>head</u>	<u>pounds</u>
1956.....	1,360	425	1,432	310	17	656.4
1957.....	1,467	453	1,522	300	20	700.6

Total imports of fresh, chilled and frozen meats in Mexico decreased from 873,000 pounds in the first half of 1956 to 825,000 pounds in the first half of 1957. Imports of other meat products increased from 1.3 million to 1.5 million pounds during this period. Imports of meat were greater than had been anticipated in view of efforts on the part of the Mexican Government to eliminate imports of these items.

Mexico exported 5.2 million pounds of chilled and frozen beef to the United States in the first half of 1957, or about 55 percent more than a year earlier. Total exports of 5.6 million pounds, however, were 17 percent less than a year earlier. The packing house at Tampico, which exported meat to the United States in 1955 and early 1956, has remained closed during 1957.

U. S. exports of cattle to Mexico continued large in January-June 1957, exports exceeding 23,000 head. This compared with 14,600 during the full year 1956 and 12,900 in 1955. Exports of U. S. cattle are expected to continue large during the remainder of 1957 and in early 1958. Funds from the second \$5 million Export-Import Bank loan have now become available to producers.

U. K. BEEF AND VEAL IMPORTS RISE

Imports of beef and veal into the United Kingdom, which had slackened during the first quarter of 1957, rose substantially during the second quarter. Total beef and veal imports during the first 6 months of 1957 were 7 percent above the same period in 1956. Imports of frozen beef and veal dropped again, while chilled imports continued to rise.

The increase in imports of canned beef, most of which is from Argentina, should be good news for U. S. producers. As the United Kingdom is Argentina's most important outlet for canned beef, any increase in this trade takes pressure off U. S. imports of Argentine canned beef. During the first 6 months of 1957, Argentine exports of canned beef to the U. K. rose 58 percent. This rise has made Argentina the largest supplier of canned meats to the British market, replacing Australia, which had been the predominate postwar supplier.

BEEF AND VEAL: United Kingdom imports (product weight)
Annual 1955-56, January-June 1955-57

Commodity	1955	1956	January-June		
			1955	1956	1957
			Million pounds		
Chilled.....	268	579	73	276	333
Other <u>1</u> / not canned.....	520	404	250	187	163
Canned.....	233	197	98	108	113
Total.....	1,021	1,180	421	571	609

1/ Mostly frozen

Source: Commonwealth Economic Committee

CANADA'S MEAT EXPORTS DROP

A moderate decline in output, plus continued strong demand, and relatively high meat prices have resulted in a sharp decline in Canada's meat exports this year. A smaller part of the reduced shipments went to the United States.

During the first half of 1957, Canada's total exports of carcass and variety meats totaled only 31.2 million pounds, a decline of 35 percent from a year earlier. Starting in 1954, exports have been declining steadily. Exports to the United States for January-June 1957 totaled only 22.2 million pounds, compared with 35.6 million a year earlier. U. S. shipments made up only 71 percent of Canada's total shipments in January-June 1957, compared with 74.5 percent a year earlier and 76 percent during the entire year 1955.

MEAT: Canada's exports, January-June 1956-57

Item	Exports to all countries		Exports to the U. S.		Percent to the U.S.	
	1956	1957	1956	1957	1956	1957
	1,000 pounds		1,000 pounds		Percent	
Beef.....	5,332	5,339	4,460	4,605	83.6	86.3
Mutton and lamb..	24	24	---	---	---	---
Canned ham.....	5,955	2,019	5,892	2,013	98.9	99.7
Pork.....	29,539	18,451	23,662	14,365	80.1	77.9
Canned meats....	1,763	644	203	89	11.5	13.8
Variety meats....	3,377	2,336	1,127	906	33.4	38.8
Other meats.....	1,751	2,339	244	195	13.9	8.3
Total.....	47,741	31,152	35,588	22,173	74.5	71.2

Source: Foreign Trade of Canada.

SELF-SERVICE MEAT SALES INCREASE SHARPLY IN U. K.

A rapid increase in the number of self-service stores in Britain is having a profound effect on meat merchandising methods. In the past decade the number of self-service stores has increased from 250 to nearly 4,000 and has nearly quadrupled since 1952. New stores are being added at a rate of at least 55 a month. About 10 percent of total retail grocery sales is now handled by stores of this type. Meat is sold by 18 percent of the self-service units.

The "Self-Service Directory of Stores" published in August listed 3,524 separate stores in Britain. Allowing for omissions in the listings, the compilers of the directory placed the number of self-service stores in early summer at 3,700. New installations since the directory was published have boosted the total further. Of the 3,524 stores listed, nearly 38 percent were in London and the South East, 25 percent in the North, 14 percent in the Central and South Midlands, 9 percent in Scotland, 8 percent in the South West, 5 percent in Wales and the West Midlands, and one percent in Ireland.

The march toward self-service has been led by the chains. Independents, who own 90 percent of the retail grocery outlets, operate less than 14 percent of the self-service shops. Most new units are supermarkets.

A sharp increase in the proportion of self-service stores handling meat has been indicated.

SUDAN LOWERS COTTON PRICES

The Sudan Gezira Board, on August 23, 1957, announced a further reduction in its reserve (minimum) prices for the 1956-57 cotton crop. A previous reduction of 1956-57 crop cotton prices was announced May 31. The new rates for Sakel-type cotton with those formerly in effect are shown below.

COTTON: Sudan, reserve prices for Sakel-type cotton as reduced from March to August 1957

Grade	1957 reserve price <u>1/</u>		
	March 14	May 31	August 23
	- - <u>U. S. cents per pound</u> - -		
Sakel:			
GS.....	75.60	62.80	58.28
XG2S.....	74.44	61.35	56.83
G2S.....	72.69	59.90	55.38
XG3S.....	70.95	58.44	53.93
G3S.....	67.75	56.99	52.48
SG4S.....	66.29	55.54	51.03
G4S.....	64.84	54.08	49.58

1/ Excludes export tax of 8.70 cents per pound.

It was also announced that cotton from private estates would hereafter be sold by public auction. An agreement between the Gezira Board and the Sudan Cotton Growers Association provides that prices of the private estate cotton will be set in relation to the Gezira Board prices.

NICARAGUA'S COTTON CROP AFFECTED BY DROUGHT

Nicaragua's 1957-58 cotton crop may be reduced by severe drought in some important cotton-growing areas, which retarded seed germination and early growth. Although cotton is less subject to drought than most other crops because of its taproot structure, yields may be reduced by poor germination and insufficient time for replanting before recurrence of the rainy season.

Cotton is usually planted in Nicaragua during a wet-weather lull about July, following the first 6 weeks of rain. The entire rainy season is from May through October. Picking begins in November.

It is much too early to determine the extent of damage to the total 1957-58 crop. Conditions in other areas are very favorable. Nicaragua's cotton production has expanded rapidly in recent years. In 1956-57, production of 190,000 bales from 180,000 acres represented the third largest cotton crop in North America.

Foreign Crops and Markets

WEST GERMANY'S COTTON
IMPORTS REACH POSTWAR HIGH

West Germany's cotton imports of 1,467,000 bales (500 pounds gross) during August-June 1956-57 reached a new postwar high. They were 23 percent above comparable imports of 1,193,000 bales in August-June 1955-56 which had been at about the same level as in the 2 preceding years. Imports of United States cotton increased sharply in August-June 1956-57 amounting to 840,000 bales or 57 percent of total imports, compared with only 86,000 bales and 7 percent a year ago. Increased imports also were shown from British East Africa and the U.S.S.R.-- decreased quantities from Mexico, Nicaragua, Brazil, Egypt, the Sudan and Peru.

Quantities imported from major sources during August-June 1956-57, with comparable 1955-56 figures in parentheses, were: United States 840,000 bales (86,000); Mexico 174,000 (402,000); British East Africa 76,000 (55,000); U.S.S.R. 65,000 (50,000); Peru 61,000 (65,000); Egypt 57,000 (85,000); Belgian Congo 32,000 (32,000); Sudan 30,000 (52,000); Brazil 28,000 (62,000); Nicaragua 26,000 (109,000); and Turkey 24,000 (24,000).

Cotton consumption in West Germany also was at a postwar high during August-April 1956-57, amounting to 1,086,000 bales or 10 percent higher than the 983,000 bales consumed a year earlier. Mill activities have been at high levels, and except for the summer months, the upward trend in cotton consumption is expected to continue. Domestic demand remains high, and mills reportedly are booked 5 to 6 months ahead.

The demand for United States cotton is expected to remain strong. West German spinners rely on its uniformity and the fact that it can be purchased throughout the year. Most other growths are in plentiful supply only at certain periods. Qualities mainly wanted are SM 1-1/16 inches and higher. The majority of cotton spinners do not purchase qualities below Middling 1 inch.

Cotton mill stocks on April 1, 1957, were estimated at 358,000 bales, 43 percent higher than stocks of 250,000 bales a year earlier. The heavy buildup of stocks in recent months is mainly attributed to restored confidence in the stability of world cotton prices. Stocks owned by dealers and those on consignment also are at high levels, and storage space in Bremen is becoming short.

The outlook for 1957-58 is for a continuation of a high level of cotton imports and consumption. The United States share of the West German market will probably account for about 50 percent of the total, provided the qualities wanted are available in sufficient quantity.

CANADA'S COTTON CONSUMPTION
UP IN AUGUST

Canada's cotton consumption during August 1957 was 30,000 bales (500 pounds gross). This was considerably higher than July consumption of 23,000 bales, but slightly below the 32,000 bales consumed in August 1956.

EL SALVADOR'S COTTON CROP MAY REACH LAST YEAR'S LEVEL

Cotton production in El Salvador during August-July 1957-58 is tentatively estimated at last year's level of 139,000 bales (500 pounds gross). Acreage is estimated at 102,000 acres, slightly higher than the 95,000 acres in 1956-57 when unusually high yields produced the record crop. Conditions for the 1957-58 crop thus far have been generally favorable, although dry weather has had some adverse effect in scattered sections.

The record crop in 1956-57 was achieved by yields of about 700 pounds of lint per acre, due principally to unusually good weather and heavy use of fertilizer. The high yields more than offset the 16 percent reduction in cotton acreage from the 1955-56 area of 113,000 acres. Production in 1955-56 was 135,000 bales, yield per acre averaged 573 pounds.

The above figures do not include cotton produced in Honduras, but ginned in El Salvador, estimated at 9,000 bales in 1957-58, 7,000 in 1956-57, and 2,000 in 1955-56. Construction of the first cotton gin in Honduras began in August 1957, and is expected to be finished in December. Construction of another gin also is under consideration. The addition of ginning facilities in Honduras may tend to increase cotton production in that country.

Cotton exports from El Salvador during the 1956-57 season have been considerably below last year. Preliminary figures for August-June 1956-57 show exports of 96,000 bales, down 24 percent from exports of 126,000 bales a year earlier. About two-thirds of El Salvador's cotton was exported to Japan these last 2 seasons. Sizeable exports to France in August-June 1956-57 amounted to about 28,000 bales, exports to other countries were small. Exports during August-June 1955-56 included 15,000 bales to West Germany, 14,000 bales to the United Kingdom, and small quantities to other countries.

Cotton consumption in El Salvador is estimated at 15,000 bales in August-July 1956-57, up slightly from 13,000 bales in 1955-56. A further increase is expected next year when output by the recently installed spinning and weaving mill near San Salvador is expected to reach full capacity. Cotton stocks on August 1, 1957, were tentatively estimated at 60,000 bales, compared with 41,000 held a year earlier.

Domestic prices of cotton from the 1956-57 crop were fixed by agreement between the Cotton Cooperative and the local spinners in February 1957. For spinners who bought their entire requirements early in the season, the agreed price was 71.90 colones per quintal (28.35 cents per pound) probably for base quality, Middling 1-1/16 inches. Cotton purchased later in the season was priced at 77.75 colones per quintal (30.66 cents per pound)--the average export price during November-January 1956-57. This price is expected to continue until November 1957. There is a tax of 5.50 colones per quintal (2.17 cents per pound) on cotton sold for domestic consumption.

NEW PINEAPPLE PROCESSING PLANT PLANNED FOR SOUTH AFRICA

The Langeberg Ko-operasie Beperk, a large growers' cooperative already operating eight canning plants in the Cape Province and Transvaal of South Africa, plans construction of a large pineapple processing plant in East London. Special high speed equipment capable of handling 200 tons of pineapples daily will be installed in the new plant. The proposed construction will involve a capital outlay of \$560,000. The factory is expected to be operating early in 1958.

WEST GERMAN RAPESEED PRODUCTION INCREASES IN 1957

Preliminary estimates place 1957 rapeseed production in West Germany at 65,073 metric tons, up 85 percent from last year. Acreage in 1957 was almost double that of 1956, the result of a governmentally guaranteed market and price for rapeseed.

EASTERN NIGERIA SETS 1957-58 PRICES FOR PEANUTS AND SOYBEANS

The Eastern Region Marketing Board of Nigeria recently announced that the producer price for peanuts in 1957-58 would be £37 per long ton (\$92.50 per short ton). This price represents an increase of £4 per long ton (\$10.00 per short ton) from the price paid for the 1956-57 crop. Soybean prices have been established at £18 per long ton (\$1.35 per bushel), the same as the price paid last year.

1956-57 FORAGE CROP SEED EXPORTS SECOND HIGHEST ON RECORD

Shipments of grass and legume seeds to Europe in 1956-57 amounted to 26,240,000 pounds, three times more than the 8,742,000 pounds exported the previous year. European countries received more than 61 percent of the total 1956-57 United States exports of 42,974,000 pounds, 60 percent of the alfalfa exports, and 66 percent of the "other grasses".

Alfalfa shipments of 10.2 million pounds was the major item, "other grasses" exports totaled 8.2 million and other clovers 3.3 million. There were no shipments of Orchardgrass seed to Europe because of short U.S. supplies and Denmark's substantial exports. West Germany was the principal grass and legume seed buyer in 1956-57. France, the Netherlands, Italy and the United Kingdom also imported substantial quantities of U.S. seeds.

GRASS AND LEGUME SEEDS: United States Exports to Europe, by country of destination, 1956-57

Country of Destination	Alfalfa	Alsike	Clovers, Other	Fescue	Kentucky bluegrass	Orchard	Redtop	Timothy	Grasses, Other	Total
					1,000 Pounds					
Austria	7		11		7		7	33	352	417
Belgium	55	11	116	22	4		4	56	251	519
Denmark	119	15	30				11	11	11	197
Finland			328						21	349
France	3,315	32	509	699	74		31	143	1,880	6,683
Germany, East	220									220
Germany, West	5,029	474	1,017	11	475		119	556	690	8,371
Greece	161								1	162
Iceland					44		7		2	53
Iran									5	5
Iraq									1	17
Ireland		23	29					76	6	134
Italy		62	215		4		1	37	1,794	2,113
Israel			19							19
Lebanon									45	45
Netherlands	681	90	927	161	40		134		1,827	3,860
Norway					9		20		2	31
Poland	548									548
Spain			2						6	8
Sweden	8				32		7	22	174	243
Switzerland	6	9	38	11	27		61	26	370	548
Turkey			2							2
United Kingdom	11		51	910					740	1,712
Total	10,160	716	3,294	1,814	716	0	402	960	8,178	26,240

AUSTRALIAN DRIED VINE FRUIT PRODUCERS REJECT GOVERNMENT PRICE STABILIZATION PLAN

In a recent referendum in which only 55 percent of the eligible Australian dried vine fruit producers participated, the proposed government scheme for stabilizing the industry failed to obtain the required vote majority.

Under the government stabilization plan, production costs for various vine fruits would be determined by the Australian Bureau of Agricultural Economics. A guaranteed price for each type of fruit would then be established at a level \$20 per short ton below the cost of production. Any returns to producers in excess of \$20 per ton above production cost would be channeled into a stabilization pool. When producers failed to obtain the guaranteed minimum price in the market, the difference would have been paid from the proposed stabilization account.

PHILIPPINE COPRA EXPORTS IN AUGUST HIGHEST SINCE SEPTEMBER 1956

Philippine copra exports in August of 100,844 long tons comprised the highest export volume for any one month since September 1956 when exports totaled 111,958 tons. August shipments were nearly 15 percent higher than July and nearly 10 percent greater than August 1956.

Coconut oil exports in August were 6,355 long tons, a decrease of 17 percent from July and over one-fifth below August 1956.

January-August exports of copra and coconut oil, at 470, 254 long tons, oil equivalent basis, were 4 percent above the first eight months of 1956.

The Philippine copra export price in mid-September was \$162.00 per short ton. c.i.f. Pacific Coast (mid-August \$155.00, mid-July \$147.50). Local buying prices were reported at 26.00 to 30.50 pesos per 100 kilograms (\$132.08 to \$154.95 per long ton) resecada Manila and producing area.

(See Table, next page)

SOUTH AFRICA MARKETS SMALLER PACKS OF CANNED APRICOTS, PEACHES AND PEARS

The 1956-57 South African pack of canned apricots and pears is well below the record-large production of the preceding season. Trade reports indicate that apricot production is 44 percent less than the volume processed during 1955-56 and canned pear volume 25 percent under that of the preceding year. However, canned peach production for 1956-57 is only 5 percent below the previous season's output. Following data are for the November 1 - October 31 year: (See Table on page 20)

COCONUT OIL: Philippine Republic, exports by country of destination,
August and January-August for years 1956 and 1957

Country	1956 ^{1/}		1957 ^{1/}	
	August	Jan.-Aug.	August	Jan.-Aug.
	Long	Long	Long	Long
	tons	tons	tons	tons
North America:				
United States.....	7,157	55,499	6,355	47,120
Atlantic Coast.....	(6,905)	(54,599)	(6,054)	(45,268)
Pacific Coast.....	(252)	(900)	(301)	(1,052)
Gulf Coast.....	(---)	(---)	(---)	(800)
Cuba.....	300	599	---	695
Europe:				
Belgium.....	---	105	---	---
West Germany.....	---	2,509	---	1,540
Netherlands.....	---	3,059	---	8,126
Optional discharge ^{2/}	---	---	---	870
Europe, unspecified.....	714	5,164	---	---
Asia:				
Hong Kong.....	---	268	---	---
Total.....	8,171	67,203	6,355	58,351

^{1/} Preliminary. ^{2/} West Germany or Netherlands.

Source: Philippine trade sources.

COPRA: Philippine Republic, exports by country of destination,
August and January-August for years 1956 and 1957

Country	1956 ^{1/}		1957 ^{1/}	
	August	Jan.-Aug.	August	Jan.-Aug.
	Long	Long	Long	Long
	tons	tons	tons	tons
North America:				
United States.....	22,935	182,204	24,259	176,433
Atlantic Coast.....	(---)	(17,940)	(3,292)	(20,967)
Pacific Coast.....	(22,935)	(162,457)	(20,967)	(155,466)
Gulf Coast.....	(---)	(1,807)	(---)	(---)
Canada.....	---	2,000	500	8,367
South America:				
Colombia.....	5,850	42,000	6,395	37,350
Venezuela.....	1,000	9,065	5,462	23,422
South America, unspecified.....	535	10,835	---	---
Europe:				
Belgium.....	1,500	9,000	1,500	7,500
Denmark.....	5,150	19,650	3,400	23,375
West Germany.....	7,500	43,575	6,000	35,634
Italy.....	3,150	6,650	3,950	16,637
Netherlands.....	29,135	172,017	35,678	241,061
Norway.....	---	3,000	4,000	17,351
Sweden.....	1,250	29,300	5,700	24,500
West Germany and Netherlands.....	---	15,575	---	---
Optional discharge ^{2/}	---	---	---	25,500
Europe, unspecified.....	13,776	56,976	---	---
Asia:				
Israel.....	---	5,450	2,800	5,900
Japan.....	---	---	---	6,784
Lebanon.....	900	5,400	1,200	4,000
Total.....	92,681	612,697	100,844	653,814

^{1/} Preliminary. ^{2/} West Germany, Netherlands, or Belgium.

Source: Philippine trade sources.

FRUIT, CANNED DECIDUOUS: Union of South Africa,
production 1954-1956, exports to United Kingdom 1954-1956,
percentage U.K. exports to production

Season	Production	Exports to U. K.	Percentage U. K. Exports to Production
		- - - Equiv. 24/2½ size cans - - -	
Canned Apricots			
1954-55.....	805,532	657,146	82
1955-56.....	1,021,206	839,689	82
1956-57.....	571,237	<u>1/</u> 354,185	62
Canned Peaches			
(Clings only)...	1,284,808	879,908	68
1954-55.....	1,484,598	1,140,151	77
1955-56.....	1,412,596	<u>1/</u> 1,082,665	77
1956-57.....			
Canned Pears			
1954-55.....	297,403	134,803	45
1955-56.....	438,055	246,232	56
1956-57.....	328,025	n.a.	n.a.

1/ Number 1-May 31, 1957.

The value of all 1956 canned fruit production in South Africa, according to the report, is estimated as \$33.7 million; exports, principally to the United Kingdom markets, accounted for \$25.4 million, or approximately 75 percent of the total.

EGYPT'S NEW COTTON PAYMENTS POLICY INCLUDES PREMIUMS FOR 4 MONTHS

Egypt's new plan for payment for cotton exports through European clearing accounts is to run concurrently with premiums on hard currency repatriated directly to Egypt until December 31, 1957.

The plan for payments through European clearing accounts provides that Egyptian cotton shipped from September 1 to December 31 may be paid for through Egypt's clearing accounts with Switzerland, Belgium, the Netherlands, and Austria as follows: 70 percent in Egyptian pounds; 30 percent in dollars, free Swiss francs, German marks, multilateral lire, or Special No. 1 Account sterling. No premiums of any kind will be allowed on these hard currency payments into the European accounts.

The earlier policy for payment of premiums to cotton exporters who repatriate hard currency direct to Egypt is also to be continued until December 31. Premiums are 10 percent for September-October, and 5 percent for November-December.

FRANCE'S 1956-57 COTTON
SEASON VERY ACTIVE

France's 1956-57 cotton season was marked by great activity with sizeable increases in imports, consumption and stocks. Cotton imports were 1,576,000 bales (500 pounds gross) a postwar record, and 29 percent above 1955-56 imports of 1,221,000 bales. Sources of supply shifted considerably during the past season. Increased quantities were imported from the United States, Central America, Mexico, Greece, the Belgian Congo, Uganda, and Turkey. Imports declined from Egypt, Syria, Brazil, and the Sudan.

Quantities imported from principal sources in August-July 1956-57, with comparable 1955-56 figures in parentheses, were: United States 422,000 bales (195,000); French Colonial areas 205,000 (208,000); Greece 103,000 (51,000); Syria 100,000 (174,000); Mexico 94,000 (40,000); Pakistan 93,000 (88,000); Turkey 89,000 (58,000); Iran 65,000 (60,000); Egypt 61,000 (151,000); Belgian Congo 61,000 (23,000); Central America 56,000 (none); Uganda 41,000 (4,000); Peru 40,000 (35,000); U.S.S.R. 37,000 (33,000); Brazil 29,000 (41,000); and the Sudan 23,000 (32,000).

Cotton consumption in France during 1956-57 rose to a record level of 1,380,000 bales, 13 percent above 1955-56 consumption of 1,220,000 bales. Use of United States cotton increased sharply to about one-third of total consumption in October and November, when spinners expected ample supplies to be available. It decreased in the following months, however, when import permits were not readily available because of exchange difficulties, and dropped to only 21 percent of the total in April and May.

Yarn and fabric production has been running well above that of a year ago. In May 1957, production of cotton yarn was 22,953 metric tons, compared with 19,349 in May 1956, an increase of 24 percent. So far this marketing year it has averaged 15 percent above last year. Yarns of spun rayon and mixtures have increased at about the same rate as pure cotton yarn. Fabric production has shown the same rate of increase but no breakdown between pure cotton and other fabrics is available. The volume of orders on hand by spinners continued very high, standing 32 percent higher on May 31, 1957, than it was a year earlier. Orders have tended to level off in recent months, however, indicating that the peak may have been passed.

Cotton stocks on July 31, 1957, were estimated at about 500,000 bales. This unusually high level represented more than a 4-month supply at present consumption rates, and was sharply above stocks of 315,000 bales held a year earlier. According to official data, practically all stocks (93 percent) were at spinning mills, and only about 7 percent in other locations. Only very small quantities, estimated at 23,000 bales, were held by import merchants for resale.

Prices of most growths of cotton on the French market have been fairly steady, although slowly increasing throughout the 1956-57 season. The price of United States Strict Middling 1 inch cotton increased from about 32.40 cents in August 1956 to 35.38 cents in August 1957. Prices of Mexican and Brazilian cotton have been steady, those of Egyptian, Turkish and Peruvian have been erratic.

On August 10, 1957, the French Government partially devalued the currency by announcing a 20 percent premium in the number of French francs exchanged for a dollar by tourists and exporters of most French products. Certain raw materials, including raw cotton, were specifically exempt and will continue to be paid for at the 350 rate. Exports of textiles will also continue to be at the 350 rate. Thus the devaluation gives no special advantage to the textile industry.

Another new provision is that exporters of manufactured textile products will be permitted to import additional raw cotton in proportion to the volume of textile exports.

All cotton requires specific import licenses from the government. Special arrangements for imports from OEEC countries (Org. of European Economic Cooperation), formerly permitted under pro-forma licenses have been temporarily discontinued because of the acute French foreign exchange difficulties. All import licenses since August 14 are to be valid for 6 months. A general provision to discourage imports requires a deposit in a government bank equal to 50 percent of the value of the imports at the time the application is made for foreign currencies. (Additional information on the French cotton situation will be published in circular form at an early date).

PUBLICATIONS RELATING TO U.S. FOREIGN AGRICULTURAL TRADE

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Phone: REpublic 7-4142, Ext. 2445.

The Indian Coffee Situation. Foreign Agriculture Circular FCOB 4-57.

U.S. Agricultural Trade with West Asia and Africa. FAS-M-23, August, 1957.

Status of Cotton Purchase Authorizations Under Title I, Public Law 480.
Foreign Agriculture Circular FC 21-57

Changes in Gold and Dollar Assets of Our Foreign Buyers During January-March 1957. Foreign Agriculture Circular FATP 21-57.

IMPERIAL TOBACCO COMPANY INCREASES
CIGARETTE PRICES

The Imperial Tobacco Company of the United Kingdom announced a retail price increase equivalent to 1.2 U. S. cents per package of 20 cigarettes, effective September 16. Other company products will in general cost from 1.2-1.8 U. S. cents more per half ounce. Manufacturers other than Imperial have not indicated whether they will follow suit but trade spokesmen are almost certain they will. The major portion of the price increase will go to manufacturers, although retailers are pressing for a larger margin.

